MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2016 / 2017 SESSION

DBS5048 – PRINCIPLES OF MARKETING

(All sections / Groups)

18 OCTOBER 2016
2.30 PM –4.30 PM
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **10** pages with 3 sections.
2. Answer **ALL** questions.
3. For section A and B, shade your answers in the OMR sheet provided.
4. For section B, shade "**A**" for **TRUE** and shade "**B**" for **FALSE**.
5. For section C, write your answers in the answer booklet provided.

SECTION A: MULTIPLE CHOICE QUESTIONS (each question carries 1 mark).

1. Garry Wong now has the buying power to purchase the desktop computer now. He wishes to own a company since last six months. Garry's want now has become a(n) _____.

   A. need
   B. necessity
   C. demand
   D. exchange

2. Information collected from internet search engines is an example of _____ data.

   A. primary
   B. secondary
   C. binary
   D. low-level

3. _____ involves gathering primary data by asking people questions about their knowledge, attitudes, preferences, or buying behavior. It is the most widely used method for primary data collection.

   A. Experimental research
   B. Causal research
   C. Ethnographic research
   D. Survey research

4. Rachel loves fashion and is always wear the trendiest fashion outfits. She actively shares her knowledge with a wide group of friends and colleagues about where to shop for the latest fashion at great deals. Most of her friends and colleagues follow her fashion tips. Rachel portrays the image of a(n) _____.

   A. late mainstream
   B. lagging adopter
   C. opinion leader
   D. brand personality

5. Marketing stimuli consists of the four Ps. Which of the following is **NOT** one of these?

   A. Product
   B. Packaging
   C. Price
   D. Promotion

Continued...

6. _____ refers to how a company will create differentiated value for targeted segments and what positions it wants to occupy in those segments.

   A. Value proposition
   B. Market segmentation
   C. Product positioning
   D. Targeted marketing

7. Tourism Malaysia's global marketing campaign, "Malaysia Truly Asia" is an example of _____ marketing.

   A. place
   B. person
   C. organisation
   D. internal

8. The customers of Parry's Hair Salon have noticed that the quality of a haircut depends on who provides it as well as when, where, and how the service is provided. Which of the following characteristic of service is the evident in this instance?

   A. Service intangibility.
   B. Service inseparability.
   C. Service perishability.
   D. Service variability.

9. Product improvements, product modifications, and original products can all be classified as _____.

   A. blueprints
   B. new products
   C. prototypes
   D. product extensions

10. Which of the following group do marketers involve for the process of concept testing new products?

    A. Suppliers.
    B. Employees.
    C. Target consumers.
    D. Manufacturers.

Continued...

11. Retailers such as Giant and Mydin charge a constant, daily low price with few or no temporary price discounts. This is an example of _____ pricing.

A. competition-based
B. everyday low
C. cost-plus
D. break-even

12. Fixed costs _____.

A. are costs that do not vary with production or sales level
B. vary directly with the level of production
C. decrease with accumulated production experience
D. are the sum of the overhead and variable costs for any given level of production

13. Under oligopolistic competition _____.

A. the market consists of numerous small sellers
B. the market consists of many buyers and sellers who trade over a range of prices rather than a single market price
C. sellers are typically unresponsive to competitors' pricing strategies and marketing moves
D. the market consists of only a few large sellers

14. Which of the following is **TRUE** of market-penetration pricing?

A. It should be used when the product's quality and image support a high price.
B. It involves setting a high price for a new product to appeal to the elite in society.
C. It results in drawing in large numbers of buyers quickly, winning a large market share.
D. It is best used in conjunction with a market-skimming pricing strategy.

15. Failure to enter the current price into a retailer's system may result in charges of _____.

A. predatory pricing
B. scanner fraud
C. retail maintenance pricing
D. discriminatory pricing.

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16. Home Deco Renovations has recurring problems with customers who do not pay their bills on time. Home Deco Renovations wants to improve its cash situation, reduce bad debts, and reduce credit-collection costs. Which of the following form of pricing would **MOST** likely help the firm achieve its goal?

A. By-product pricing.
B. Zone pricing.
C. Cash discounts.
D. Product bundling.

17. The discount offered by Glamor Gifts to customers who bought Valentine-themed merchandises during the week of Valentine's Day is an example of a _____.

A. functional discount
B. seasonal discount
C. trade discount
D. cash discount

18. Which form of geographic pricing is a company using when it charges the same rate to ship the product anywhere in Malaysia?

A. Uniform-delivered pricing.
B. Psychological pricing.
C. Zone pricing.
D. FOB-origin pricing.

19. Lazada Inc. opened an online store that triggered disagreements between headquarter and the firm's exclusive dealers. This type of disagreement is known as a(n) _____ conflict.

A. vertical
B. indirect
C. horizontal
D. selective

20. Darlie sells its toothpastes in many convenience stores across the country. This is an example of _____ distribution.

A. exclusive
B. selective
C. hybrid
D. intensive

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21. Which of the following is the **MOST** effective way for a company to ship perishable goods over long distances, if its key requirement is speed?

A. Pipelines.
B. Air transport.
C. Trucks.
D. Water transport.

22. HP's advertising agency assembles words and illustrations into an advertisement that conveys the company's intended brand message. In the context of the communication process, HP is _____ the message.

A. covering
B. decoding
C. sending
D. encoding

23. The technological devices operation department asked its marketing department to develop inexpensive methods of building and maintaining brand awareness and excitement. The marketing department then recruited consumers who were early adopters of technological devices to spread the word about the company's new products. This is an example of _____.

A. a reverse marketing activity
B. nonpersonal marketing
C. sales promotion
D. buzz marketing

24. Which of the following indicate the three characteristics of an advertising appeal?

A. Engaging, informative, and stylish.
B. Trendy, compelling, and appealing.
C. Meaningful, believable, and distinctive.
D. Unique, emotional, and entertaining.

25. Which of the following is the latest digital medium that is used by advertisers to reach consumers directly?

A. Smartphone.
B. Direct mail.
C. Newspapers.
D. Billboards.

Continued...

26. In an attempt to set the company apart from its competitors, City Link Service (CLS) has its employees to wear green uniforms and drive green trucks. What type of public relations tool is being used by CLS?

A. Buzz marketing.
B. Corporate logos.
C. Corporate identity materials.
D. Product publicity.

27. Honda Motors splits Malaysia market into 14 sales regions. In each of these region, the company has separate sales personnels to the Honda's full line of products. Honda Motors uses a _____ sales force structure.

A. territorial
B. complex
C. customer
D. product

28. The customers will receive cash back of RM 50 upon any new purchase of loud speaker. The customer will need to show proof of purchase to redeem the cash. This is an example of a _____.

A. rebate
B. POP promotion
C. price pack
D. premium

29. A company's close competitors are _____.

A. considered "bad" competitors
B. a serious threat and hence, must be attacked rather than ignored
C. those that most resemble to the company's operations
D. typically ignored as they seldom pose any threat

30. According to Michael Porter, what are the three effective competitive positioning strategies?

A. Middle-of-the-roaders, focus, and overall cost leadership.
B. Focus, differentiation, and middle-of-the-roaders.
C. Overall cost leadership, differentiation, and middle-of-the-roaders.
D. Overall cost leadership, differentiation, and focus.

[TOTAL 30 MARKS]

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SECTION B: TRUE/FALSE QUESTIONS (each question carries 1 mark).
Answers for this section should be shaded on the OMR form.
Shade "A" for the TRUE statement and "B" for the FALSE statement.

31. The marketing mix refers to the set of marketing tools the firm uses to implement its marketing strategy.

32. Competitive marketing intelligence is the systematic collection and analysis of publicly available information about consumers, competitors, and developments in the marketplace.

33. Habitual buying behavior involves consumers to search extensively for information about brands and evaluate brand characteristics.

34. Kia Motors offers a new car model with the same features as other cars in the same segment. However, Kia's model is priced higher than its two main competitors. Kia is following more-for-less positioning strategy.

35. A service refers to an activity, benefit, or satisfaction offered for sale that is essentially intangible and does not result in the ownership of anything.

36. A break-even chart shows the total cost and total revenue expected at various sales volume levels.

37. A conventional distribution channel consists of one or more independent producers, wholesalers, and retailers; each seeking to maximize its own profits, perhaps even at the expense of the system as a whole.

38. In the follow-up stage of the selling process, the salesperson asks the customer to place an order.

39. Business promotions are used to generate business leads, stimulate purchases, reward customers, and motivate salespeople.

40. Benchmarking involves comparing the firm's products and processes to those of the competitors to identify best practices to improve quality and performance.

[TOTAL 10 MARKS]

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SECTION C: STRUCTURED QUESTIONS

QUESTION 1

Marketing planning involves choosing marketing strategies that will help the company attain its overall strategic objectives. Identify the **EIGHT (8)** contents of a marketing plan. (8 marks)

QUESTION 2

(a) State the **FIVE (5)** principal decisions needed, pertaining the companies' product and services. (5 marks)

(b) Although many ideas may be good but there are many products that are not successful in the market. List **SIX (6)** common reasons for the failure of new products. (6 marks)

QUESTION 3

In creating customer value, a company cannot do it alone. It must work with the entire network of partners—a value delivery network—to accomplish this task. Individual company and brand do not compete, their entire value delivery networks do. Most producers use intermediaries to bring their products to market.

List and briefly explain any **SIX (6)** key functions of marketing members (intermediaries) in making products available to consumers. (12 marks)

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QUESTION 4

CMCF comes up with special codes for electronic slimming ads

PETALING JAYA: Misleading advertisements on electronic media have come under increased scrutiny by the Malaysian Communications and Multimedia Commission (MCMC), particularly those promoting health and slimming products or services.

Realising this, the Communications and Multimedia Content Forum of Malaysia (CMCF), the independent body under the commission tasked with enforcing the Communications and Multimedia Content Code, has come up with a specific set guidelines for advertisements pertaining to slimming products and services.

Those who put up advertisements or commercials deemed to be misleading could be fined up to RM50,000.

Under the Content Code, CMCF has barred advertisements for slimming products, whether used physically or consumed orally. Claims that products and services can cause weight loss are only acceptable if it complies with the prescribed guidelines, launched on Jan 25 this year.

CMCF executive director Mohd Mustaffa Fazil Mohd Abdan said the latest rules would also provide better awareness for consumers on their rights.

"As for consumers, they will realise the things that cannot be allowed to be advertised if they look at the guidelines. They will know if the product is in compliance with the existing laws" he added.

Sources:

http://www.thestar.com.my/news/nation/2016/03/28/stop-misleading-consumers-cmcf-comes-up-with-special-codes-for-electronic-slimming-ads/.

Questions:

(a) Define misleading advertisement. (1 mark)

(b) Provide any **ONE (1)** example of misleading advertisement in promoting health and slimming products or services. (1 mark)

(c) Identify and discuss any **THREE (3)** ways to prevent misleading advertisement by any organisation. (6 marks)

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QUESTION 5

(a) Identify any **ONE (1)** main objective of reminder advertising. (1 mark)

(b)

> The advertiser must turn the big idea into an actual advertisement execution that will capture the target market's attention and interest.

Refer to above statement, list and describe any **SIX (6)** styles of message execution. (12 marks)

QUESTION 6

Provide the **FOUR (4)** features of societal classification products. (8 marks)

[TOTAL 60 MARKS]

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